

**00546**

1981/04/10





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OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON D.C. 20301

April 10, 1981

MEMORANDUM FOR B. C. EVANS  
EXECUTIVE SECRETARY  
CENTRAL INTELLIGENCE AGENCY

SUBJECT: Potential Munitions and Commodity Export Cases  
with China.

As part of the ongoing review of U.S. policy with respect to China, DoD has been working with other government agencies to identify various categories of defense-related equipments which are under consideration for provision to China. (C/NF)

It is requested that the appropriate personnel at the Agency review this draft package and provide us comments on:

- a. Chinese need for materials described herein;
- b. the ability of the Chinese to pay for and/or use these materials; and
- c. expected Soviet reaction if the U.S. were to provide any or all of these items.

Any other comments you feel are germane to the general subject of such a relationship with the Chinese would also be appreciated. (C/NF)

A response by 1 May would be appreciated (if that is not reasonable, please let me know). (U)

  
J. H. Rixse  
The Special Assistant

Attachment

DECLASSIFIED BY ALB/INT. OF  
CIB

21 MAY 98 93-P 2441  
DATE CASE #

~~CONFIDENTIAL/NOFORN~~

Spec Asst  
9 APR 1987

SEC DEF CONTR No.

X13803



FOR POSITIONS CALLS BEFELAND TO DON HENRY 1 JUNE 1968

18-00000

most of the cases referred to you by Office of Munitions Control. Department of State

**Carroll Dunno Brewery**

•

6. City of New Orleans, 12 mo. observation. 22 miles above.

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[illegible]

**FOR OFFICIAL USE ONLY**

Red: Strong PAC Interest  
Green: PAC Interest, although  
not overwhelming  
Blue: Only a little bit  
of interest

21

1. *Phragmites australis* (Cav.) Trin. ex Steud.  
 2. *Scirpus americanus* (L.) Pers.  
 3. *Eleocharis acicularis* (L.) Rostk Schmidt  
 4. *Eleocharis tenuis* (L.) Rostk Schmidt  
 5. *Eleocharis obtusa* (L.) Rostk Schmidt  
 6. *Eleocharis palustris* (L.) Rostk Schmidt  
 7. *Eleocharis acicularis* (L.) Rostk Schmidt  
 8. *Eleocharis tenuis* (L.) Rostk Schmidt  
 9. *Eleocharis obtusa* (L.) Rostk Schmidt  
 10. *Eleocharis palustris* (L.) Rostk Schmidt



REPORT OF TECHNICAL DATA FOR SALES PROMOTION (SEP-3-11-1965)

DATE	COMPANY	DESCRIPTION	CURRENT/STATUS	CLOSING STATUS
DATE	COMPANY	DESCRIPTION	CURRENT/STATUS	CLOSING STATUS
101874	1 Feb 66	Ad/700-74, Ad/700-41, Ad/700-41, Ad/800-15A	Closed - No objection	Approved 4 Sep 66
103376	4 Apr 66	Liton Systems, Inc.	Closed - No objection	Disapproved
103377	3 Mar 66	ATCDB, Inc.	Closed - No objection	Approved 19 Jan 66
105543	20 Mar 66	Lynch Aircraft Corp.	Closed - No objection	Approved 19 Jan 66
105644	20 Mar 66	Quincy Tire & Rubber Co.	Closed - Withdrawn by Applicant	Not
105793	31 Mar 66	Stephen Hall Computer	Closed - No objection	Not
106070	10 Apr 66	Telecomm Corp.	Closed - Withdrawn by OMC	Disapproved 10 Jan 66
106996	10 Apr 66	Para	Closed - Withdrawn by OMC	Disapproved 10 Jan 66
107130	13 Apr 66	Samper	Closed - Withdrawn by OMC	Not
107354	15 Apr 66	Montgomery	Closed - Withdrawn by OMC	Disapproved 10 Jan 66

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REPORT OF TECHNICAL DATA FOR SALES PROMOTION (MIL-3 BUREAU) CONT'D

CRASH NO.	DATE DELIVERED	COMPANY	DESCRIPTION	COM- PARISON/ ORIGINAL PLACEMENT	COM- PARISON/ ORIGINAL PLACEMENT
107717	30 Apr 60	General Dynamics	Ground Surveillance Radar	Closed - No Objection	Approved 4 Sep 60
108645	6 May 60	Tramways	Initial Field Protective Mesh	Closed - Withdrawn by OMC	Disapproved 18 Jun 60
108703	6 May 60	Lock Slinger, Inc.	DMIS M-11 Basic Velocity Radar Set	Closed - Withdrawn by OMC	Disapproved 18 Jun 60
109063	12 May 60	General Signal Corp.	Tech. Data for Alert in IIA/S Tactical Transportable Air Surveillance Radar System	Closed - No Objection	Approved 4 Sep 60
108736	13 May 60	GTE (Sylvania)	Searcher, Precision Automated Tracking System	Closed - Withdrawn by OMC	NA
109645	23 May 60	B-Systems, Inc.	Tech. Data: M/TM-26 and M/TM-13A (TNCAM SEARCH SET)	Closed - No Objection	Approved 4 Sep 60
111649	13 Jun 60	Boeing Aircraft Co.	Tech. Data: Technical Description Automated Airframe Control System	Closed - No Objection	Approved 24 Sep 60
113760	22 Jul 60	Singer Co.	Tech. Data: C-130 Instrument Flight Simulator	Closed - No Objection	Approved
113670	16 Jul 60	B-Systems, Inc.	De Radar Computer and Maintenance of Data M/TM-13 and M/TM-26	Closed - No Objection	Approved 23 Jan 61
115377	7 Aug 60	Vought Corp.	Searcher, Scout Planning Radar Search Launch Vehicle System	Closed - NA	NA
116743	26 Aug 60	McDonnell Douglas	Technical Data - Space Launch Sys	Closed - NA	NA - 24 Sep

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Summary

Summary Report of Equipment for Material Investigation (Part 2) - Licenses

Case No.	Date Received	Company	Description	Case/Project Status/Disposition	Final Disposition
P-17078	18 Feb 66	B-Systems, Inc.	AR/PAC-77 Radio Set	Closed - No Objection	Approved 5 June 66
P-17102	18 Feb 66	Raytheon Company	AR/ACC-7A Parallel Transceiver	Closed - No Objection	Approved 18 Jan 66
P-17249	18 Mar 66	Rockwell International	AR/ACC-104 Transceiver, AR/ACC-118 TACAR, AR/ACC-118 DMR, UHF 66	Closed - No Objection	Approved 29 June 66
P-17304	27 Mar 66	Rockwell International	ACC-118 Receiver/Transmitter/ ACC-102	Closed - No Objection	Approved 24 Jan 66
P-17305	30 Mar 66	Rockwell International	AR/ACC-130(V) UHF All-Mode Transceiver	Closed - No Objection	Approved 11 Jul 66
P-17648	21 Apr 66	Littion	LYR-77AR, VHF	Closed - Withdrawn by DMC	Disapproved 18 Jan 66
P-17747	3 May 66	Boeing Technology, Inc.	Aluminum Injection, Automobile, 2 milligram, Anticounter, Training aid, 3mm all-in-one shooting the anticounter	Closed - No Objection	Disapproved 23 May 66
P-17748	Aug 66	Bell Bellcom	Bell Model 3187 Bellcom in commercial configuration with the AR V-100/VIC engine installed & spare parts & tools to support the 3187	Closed - No Objection	Approved 3 June 66
P-17807	14 May 66	Rockwell	AR/ACC-102 Demo Kit	Closed - No Objection	Approved 13 May 66
P-17810	14 May 66	Telebyte, Inc.	W1001 Duplexer Navigation System	Closed - No Objection	Disapproved 18 June 66

2000



PERMANENT REPORT OF EQUIPMENT FOR MATERIAL INFORMATION (SEP-72 - 1-1-1973)

CLASS NO.	DATE APPROVED	COMPANY	DESCRIPTION	STATUS/POSITION	DATE APPROVED
Y-17045	20 May 60	Magnum	PR-1140/ABC-140 and Panel Turret Radio, CB-4310 VHF Panel Mount Radio, BT-1105/ABC-140 Unit Remote Radio	Closed - No Objection	Approved 21 Jul 60
Y-17046	20 May 60	Magnum	AR/PRC-40 Radio Set with Short Antenna, TS-1335/PRC-40 Test Set Battery Charger - For Signal-Correlation Battery, and Technical Manual	Closed - No Objection	Approved 21 Jul 60
Y-17047	27 May 60	B-Systems, Inc.	AR/PRC-41 VHF/UHF Navigation Set	Closed - No Objection	Approved 27 May 60
Y-17048	27 May 60	General Dynamics	Lightweight Ground Surveillance Radio	Closed - No Objection	Approved 4 Sep 60
Y-18077	27 Jun 60	Littom	Interactive Display Terminal (IDT)	Closed - No Objection	Approved 27 Jun 60
Y-18162	3 Jul 60	Watkins-Johnson	RF Receiver	Closed - No Objection	Approved 20 Nov 60
Y-18202	9 Jul 60	Republic Electronics Inc.	REES-100 Radar Electronic Warfare Refractometer Limiter	Closed - Withdrawn By Applicant	20 Aug 60
Y-18266	16 Jul 60	Telechym	Display RAY System CP-125 & Computer Display	Closed - No Objection	Approved 13 Nov 60
Y-18269	22 Jul 60	Tracor	ALB-40 Countermeasures Dispensing System	Closed - N/A	23 Aug 60
Y-18337		Slade	Sight Vision Device	Closed - Withdrawn By OMC	20 Jul 60



STATUS

TEMPORARY REPORT OF EQUIPMENT FOR MARKET DEMONSTRATION (OMP-7) - LICENSING

CLASS NO.	DATE SUBMITTED	COMPANY	DESCRIPTION	COM STATUS/ REMARKS/REASON	COM STATUS/ REMARKS/REASON
P-18715	22 Aug 68	Ad General Corp.	Trans. 1/4 Ton, M235 100mm	Closed - No Objection	Open 26 Nov 68
P-18717	27 Aug 68	Tierney	Ad/ALB-40 Countermeasure Diagram- ing System, UDC-119 Teletypewriter Ext. Mod-400 Magnetic Tape Cassette Recorder, UDC-119 Teletypewriter Trans. Teletypewriter, M2-33/AM-34 BNC Device	Closed - Partial objection - 1 Jul 61	Pending
P-18716	22 Aug 68	Vaco	Model 9663 Bright Observation Device	Closed - Withdrawn by COMC	Disapproved - Oct 68
P-18718	22 Aug 68	Vaco	Model 9668 Stairlight Scope	Closed - Withdrawn by COMC	Disapproved - Oct 68
P-18953	17 Oct 68	Galco Laser Jet Corp	Galco Laser Jet 354	Closed - MIA	Pending
P-18717	4 Nov 68	Stephen Aircraft	AD/PAC-104 or MC-101 888 80 Radion	Closed - No Objection	Appt - 6 Feb 61
P-18795	13 Nov 68	Spahn International Inc	Auto Surveyed System	Open	Pending
P-18719	12 Feb 61	General Dynamics	PD-117/76 Microcomputer System	Open	Pending

STATUS



ADVISORY OPINION OF SALE AND REPORT OF EQUIPMENT

ADVISORY OPINION OF SALE AND REPORT OF EQUIPMENT

Case No	Date Received	Company	Description	(C)O Contract/Status Comments/Remarks	(C)O Contract/Status Comments/Remarks
OC-4412	11 Jan 80	Bedford Simulation, Inc.	977 Simulator, General Purpose Simulation (Comments for MARSIM Flight Training)	Closed - No Objection	Approved 5 Jan 80
OC-4479	28 Feb 80	American Electronic Lab	EW Systems (Including Cavity Backed Spiral Antenna)	Closed - No Objection	Approved 4 Jan 80
OC-4314	19 Feb 80	Emerson Electric	Pressure Transducers	Closed - No Objection	Approved 4 Jan 80
OC-4317	25 Feb 80	Teledyne Systems Co	AR/AR-133 Tactical Navigation Set (AR/AR Helicopters)	Closed - Withdrawn by OGC	16 Jan 80
OC-4331	25 Feb 80	Bowling Corp.	CM-47 Chinook Helicopter	Closed - No Objection	Approved 10 May 80
OC-4333	19 Feb 80	Gulf & Western Ind.	Small Caliber Ammo Manufacturing	Closed - Objection	16 Mar 80
OC-4472	19 Feb 80	Detcon, Inc.	Service Communications Equipment for Railway	Closed - No Objection	16 Apr 80
OC-4375	17 Mar 80	General Electric	Ground Based Radar	Closed - Withdrawn by Applicant	1 Jan 80
OC-4384	17 Mar 80	Synco Corp.	AR/AR-93 AR/AR-931 Vector- graphic Com. System	Closed - No Objection	Approved 4 Jan 80
OC-4412	14 Mar 80	Westinghouse	YF-43 Radar	Closed - No Objection	Approved 3 Jan 80
OC-4474	5 Aug 80	Westinghouse	Automated Mobile Operation Center to Support Capability of AR/AR-93 Radar	Closed - Objection	1 Aug 80



COMPLETION OF SALE AND EXPORT OF EQUIPMENT

Case No.	Date SAC/DC	Company	Description	Customer/Status Final/Disposition	Customer/Status Final/Disposition
OC-44318	22 Nov 80	Westinghouse	AD/778-43 Radar	Open	Pending
OC-44319	22 Nov 80	Westinghouse	AD/778-43 Radar	Open	Pending
OC-44320	4 Apr 80	Politech Ltd	Mobile Tactical Reconnaissance Facility & Long Range Aerial Photograph System	Closed - No Objection	Approved 4 Sep 80
OC-44321	9 Apr 80	PMC Corp.	W-4842 Cargo Carriers & M113A2 Filter Recovery Vehicles	Closed - Withdrawn by OMC	Disapproved 9 Jun 80
OC-44322	9 Apr 80	C-Tech International, Inc.	M-911 Truck Tractors	Closed - No Objection	Approved 9 Jun 80
OC-44323	18 Apr 80	TeleDyne	Engines for retrofit of military vehicles	Closed - Withdrawn by OMC	Disapproved 9 Jun 80
OC-4709	18 Apr 80	LTV	SCOUT Launch Vehicle	Closed - Withdrawn by Applicant	Stat 9 May 80
OC-47110	23 Apr 80	Union	LA-33 JMS for P-7 (M18) and P-9 (Falcon-A Twin Engine Fighter Bomber) by OMC	Closed - Withdrawn by OMC	Disapproved 9 Jun 80
OC-4829	3 Jun 80	Bumma Corp.	Boeing 500MD Helicopter	Closed - No Objection	Stat 3 Jun 80
OC-4830	6 Jun 80	TeleDyne	Casino Citation aircraft as flying avionics laboratories	Closed - No Objection	Approved 20 Nov 80
OC-4831	13 Jun 80	Yardley Electric Corp.	1000 Silver-line Storage Batteries used on M18 aircraft	Closed - No Objection	Disapproved 5 Sep 80

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ADVISORY OPINION ON SALE AND EXPORT OF EQUIPMENT

DOC NO.	DATE	COMPANY	DESCRIPTION	STATUS	DATE	REMARKS
OC-4001	17 Jan 60	Beta Laboratories	Anti-aircraft radom, terrain and fire control system	Closed - Withdrawn by OMC	Disapproved 17 Jan 60	
OC-4904	4 Jul 60	Rumicon	Sale and export of AirBurst equipment	Closed - No Objection	Approved 22 Dec 60	
OC-4912	4 Jul 60	Luckhound	C-130As	Closed - No Objection	Approved 31 Jul 60	
OC-4914	4 Jul 60	Bughae	80-30 Aircraft Defense Radar	Closed - No Objection	Approved 26 Dec 60	
OC-4916	24 Jul 60	Boeing	737-300 Transport	Closed - No Objection	Approved 3 Dec 60	
OC-4940	25 Jul 60	Ex-Cell-O	Modernize their current inventory of tanks	Closed - Withdrawn by OMC	Disapproved 8 Aug 60	
OC-4970	24 Jul 60	Ex-Cell-O	V-150 Armored Cars	Closed - Withdrawn by OMC	Disapproved 12 Aug 60	
OC-5015	7 Aug 60	Slayer Co.	Discussions on Dome Projection Systems	Closed - No Objection	Pending	
OC-5024	27 Aug 60	Westinghouse	Tech Data on Spaceborne Radio-Logical Sensor/Technology	Closed - Objection	Pending	
OC-5040	21 Aug 60	Leas Siegler	Sale and export of Attitude Heading Reference Systems applicable to tactical fighter aircraft	Closed - Withdrawn	Disapproved 10 Sep 60	
OC-5049	21 Aug 60	Evans	Sale and export of multiple Integrated Laser Equipment System (ILES), training equipment	Closed - No Objection	Disapproved 4 Dec 60	

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ADDITIONAL DISCLOSURE ON SALE AND EXPORT OF EQUIPMENT (Cont. 4)

DATE ACQUISITION	DATE ACQUISITION	COMPANY	DESCRIPTION	CUSTOMER/STATUS DATE/DISPOSITION	CUSTOMER/STATUS DATE/DISPOSITION
06-3045	27 Aug 80	Exxon	Various 7000 Pallet/Printer	Closed - No objection	Pending
06-3181	5 Sep 80	LTV (Tramont Corp)	Stichter's Ground Launch Vehicle System, Jan 80	Closed - RMA	RMA
06-3187		Teledyne	Model TCS-116-2 Camera	Closed - Withdrawn	Disappeared - 17 Oct 80
06-3190	10 Oct 80	RCA	Range Instrumentation Radar Equipment	Closed - Withdrawn by USC	Disappeared Oct 80
06-3182	18 Oct 80	Raytheon Co.	AN/PSC-170 Digital Transmitter Communications system	Closed - objection	Disappeared 31 Jan 81
06-3186	8 Oct 80	Westinghouse	Registric measurement & Treatment Facility	Closed - Withdrawn by USC	Disappeared Oct 80
06-3315	17 Oct 80	Little Systems	LP-33 (M)	Closed - Withdrawn by State	Disappeared 4 Nov 80
06-3337	18 Nov 80	Electronic Memories	Millilized Mil-computer	Closed -RMA	RMA - 3 Mar 81
06-3346	3 Nov 80	PMC Corp.	M160 Cargo Carriers	Closed - No objection	Pending
06-3347	3 Nov 80	PMC Corp.	Armored Infantry Fighting Vehicle	Closed - Withdrawn	RMA
06-3348	3 Nov 80	PMC Corp.	M13A2 Armored Personnel Carriers	Closed - Withdrawn	RMA
06-3383	15 Jan 81	Lehr Siegler, Inc	Target Borne Autopilot	Closed - Withdrawn	Disappeared 3 Mar 81



PRC Dual-Use Export Cases Referred to DoD by Commerce  
Department

Unlike the procedures which govern Munitions Control, the request for a license under the Export Administration Regulations constitutes a request for authorization to ship the item, not to negotiate the sale. The exporter has already negotiated with the ultimate consignee and has a contract in hand. Except for the few cases wherein the applicant has requested an advisory opinion, there is an "order" already in hand which the export will fill.

Therefore while only some of the cases listed herein fall within the purview of the 4 September list, all but the first case listed are for items that an element or Ministry of the PRC has requested. Therefore the items in question are not "hunting" expeditions by U.S. industry.

It is also necessary to point out that Group 2 of the 4 September list relates to a line of Honeywell and Digital Equipment (DEC) computers plus a level of disc drives. The specific DEC computer listed is a militarized version of the very popular PDP 11/34. This system is not manufactured by DEC, but by the Mordin Division of United Technologies.



However the non-militarized version by DEC and computers of comparable or higher performance by other mainframe manufacturers were considered to be included or at least implied under Group 2.

James J. Hower  
CAPT., USN  
Assistant Director  
for Technology Trade



PRC Dual-Use - Export Cases Referred to DoD by C. [unclear] 10/10/80  
 While appropriate Group and Category from 1 Sept 9 October 1980  
 List are cited. NA means not applicable to 4  
 Sept list.

RTS NO.	VALUE	COMPANY	COMMODITY	REMARKS
NA None Advisory Option OC 6164	None (No stated cost value)	McDonnell Douglas	DC-9-80 licensed production- basic policy involved, advice and guidance requested, (Joint cooperation in commercial transport aircraft production)	Approval in principle 31 Jan 80
NA 38752 38753 OC 6166	\$ 26,000	GTE Sylvania	Demo of voice digitizer	Approval with provision 17 Jan 80
NA 38956 OC 6172	\$ 500,000	McDonnell Douglas Corp.	Specially designed parts and accessories for use in manufacture of aircraft	Approval 7 Feb 80
NA 38782 OC 6180	\$ 6,517	Mediate Corp.	MYCAM Optical Heads	Approval - 6 Mar 80
NA 37321 37338 OC 6138 37341 OC 6138 S.1	\$ 1,009,000 (price included in back-buy of finished IC)	MUSTER Corp.	Establishment of a facility to manufacture ICs	Approval with provision 22 May 80



STR NO.	VALUE	COMPANY	COMMODITY	REMARKS
401637	Tech Data	Bell Helicopter	Components, accessories and	Approval
411261	Tech Data		TD for assembly of	1 May 80
401630	\$ 30,000,000		helicopters	
401631	\$ 20,000,000			
OC 6188				
166263	Value not	E.I. DuPont	Technology to manufacture	Denial - 10 Apr 80
OC 6184	given	Demoivre & Co.	Chromium Dioxide Magnetic Tape	
400321	\$ 100,000	McDonnell	CMC Units for Multi-Axis	Approval - 2 Axis
OC 6185		Douglas Corp	Machines, Actron III	Denial - 5 Axis
372915	\$ 1,501,352	Geosport Inc.	20 Salmic Data Processing	10 Apr 80
372917	\$ 4,415,856		Systems with Array Processors	
372920	\$ 7,277,971		and graphic display and	No objection with
372921			plotting systems	provisions - 10 Apr 80
372925				Still working our
372931				details with CDC with
372935				respect to irrevers-
372936				ibility.
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420752	\$ 1,435,582	IBM World Trade	One IBM 4331 computer and	No objection subject
OC 6192		Corp.	one IBM 3180 distributed	to conditions.
			data system	15 May 80



<u>BTR NO.</u>	<u>VALUE</u>	<u>COMPANY</u>	<u>COMMODITY</u>	<u>REMARKS</u>
197446 197447 OC 6175	\$ 4,000,000	Alameda Industrial Co.	IC Disc	Approval - 22 May 80
420368 OC 6195	\$ 443,345	Geometrics Inc.	Computer System for Uranium Exploration	Approval with provision 7 August 1980
433849 433847 OC 6193	\$ 38,679.54 26,934.00	Westinghouse Electric Co.	4 Area CMC Unit, Respart from UK	PRC List - 7 August 1980 <i>Series</i>
433848 433846 OC 6193	\$ 2,385,487	Burroughs Corp.	Burroughs 6610 Computer system for UM-sponsored information processing and training center	Approved - 7 August 80



## REMARKS

DTN NO.	VALUE	COMPANY	COMMODITY	REMARKS
411759 OC 6186	\$ 40,000	General Electric	9 Area CMC Units, G.E. 1050 MC, temporary export	Deferred
411077 OC 6197	\$ 480,497	Schlumberger Tech Corporation	Temporary export of a DEC/VAX 11/780	Awaiting clarifying statements from applicant
411078 OC 6201	\$ n/a	Digicon Inc.	Advisory Opinion on proposed export of DEC VAX 11/780 computer system for seismic processing	Deferred subject to safeguards issue being developed for Western Geophysical - 2 Aug 81
411079 OC 6212	\$12,723,112	Western Geo-Physical Co. of America	IBM 3033 computer for oil exploration	US-owned and operated
411080 OC 6213	\$15,210.00	Digital Equipment Corp.	Reexport to Japan - VRI7 graphic display with VRI1 controller, request for advice and guidance	Approved



STR NO:

33645

OC 6212

43712

OC 6212

VALUE

\$ 15,210.00

\$2,371,992.00

COMPANY

Digital  
Equipment  
Corp.

Spartan World  
Trade

OC DOCUMENTS

COMMODITY

Reexport from Japan - VRI7  
graphic display with VRII  
controller, request for advice  
and guidance

Loan of Univac 1100/11 computer  
system for "Joint Project" and  
maintenance training of PRC  
Personnel

REMARKS

*Approved for reexport*

*Approved*



# TECHNICAL DATA

SIR NO.	VALUE	COMPANY	COMMODITY	REMARKS
PA 306491	No stated cost value	United Technologies Corporation	Tech Data for manufacture or selected components of Pratt and Whitney of Canada PT6T-6 turboshaft aeroengine	No objection as long as release is limited to PT6T-6 engine as requested - 6 Mar 80
PA 407117	\$159,000,000	Aluminum Co. of America	Tech Data, construction, operation, 3 aluminum sealers, Alcoa 697 pot cell design including ancillary facilities	No objection 25 Feb 80
PA 408742	\$ 2,000,000	Union Oil Co. of California	Tech Data - Design, construction and operation of uncracking hydrocracking unit	No objection 3 Jan 80
PA 413024	\$ 5,000,000 (Est)	Asla Budget	Tech Data - Engineering design, construction, operation and maintenance of plant to hydrotreat naphthalene and produce phthalic anhydride from desulfurized naphthalene	No objection
PA 413183	\$159,000,000	Aluminum Co. of America	Tech Data - Bauxite and Limestone mine and an alumina refinery plant	No objection 11 Apr 80
PA 413612	\$ 1,000,000	Union Carbide Corp	TD for purification of hydrogen using pressure swing absorption system	No objection 18 March 80



REMARKS

COMMODITY

COMPANY

VALUE

OTR NO

No objection  
7 Apr 80

Tech Data - construction  
operation and maintenance of  
gas purification plant for  
removal of acid gases.

Allied Chemical  
Corp.

\$ 212,000

420112

No objection  
9 Apr 80

Tech Data - Manufacturing drawings,  
design, procedures, manuals, specs,  
training, production of industrial  
and commercial electrical power  
shunt capacitors

McGraw-Hill Co.

\$ 315,000  
(approx)

420903

No objection  
19 Mar 80

Tech Data for production of acrylic  
insulation polymers

Rohm & Haas Co.

\$ not yet  
negotiated

421891

No objection  
21 May 80

Tech Data - Construction of  
structural components of off-highway  
trucks in 120 and 170 tons capacity  
and final assembly

WABCO Construction  
and Mining Group

\$ not yet  
negotiated

421880

No objection  
29 April 80

Manufacturing drawings, specs, and  
test data relating to heavy machinery  
portion of Sperry Gyrofin Ship  
Stabilizer

Sperry Corp.

\$ 25.00  
(Reproduction  
cost of drawings)

420750

No objection  
7 Apr 80

Tech Data - geophysical data  
offshore including maps

Shell Development  
Company

\$ 6,000,000

424314

424315

424316

424317

424318, 19



STR NO.

STR NO.	VALUE	COMPANY	COMMODITY	REMARKS
PA 414745	\$ 50,000	Bentley Corp.	Tech Data for removing carbon dioxide/hydrogen sulfide from synthesis gas	No objection - 21 Feb 80
PA 414802	\$ not applicable	Coca Cola Co.	Tech Data for construction of a facility to produce Coca Cola	No objection - 24 Jan 80
PA 415628	\$ 120,000 plus royalties	Rosemount Inc.	Tech Data for production of Model 1151 electronics pressure transmitters	No objection to release of basic tech data 14 Apr 80
PA 416700	\$ not stated	Singer Co.	Know-how technical info and tech data for assembly and manufacture of household sewing machines	No objection - 4 Mar 80
PA 416951	\$ not applicable	Allie Chalmers Corporation	Blueprints, mechanical drawings, and material specs for proposed package for tractor parts	No objection - 13 Mar 80
PA 418443	\$ 700,000	Davy McKee Corp.	Tech Data feasibility study for expansion of Chiao and Hsueh gold and silver mines, beneficiation plants and recovery plants	No objection - 14 Feb 80
PA 418990	\$ 4,000,000	American Cyanamid Company	Tech Data - Titanium dioxide plant and waste treatment plant	No objection - 22 Apr 80
PA 417838	\$ 850,000	G.E.	Drawings, Specs, assembly, test	No objection - 30 Jan 80



OTR NO.	VALUE	COMPANY	COMMODITY	REMARKS
NA 410157	\$ 25	Sperry Corp	Specs and drawings related to a Sperry MK37 and Mod 1	No objection - 7 Jul 60
NA 420944	\$ 3,800,000	G.E.	Drawings, Specs, assembly, tests and training related to assembly of black and white TV receivers and chassis	No objection - 3 Jul 60
NA 432476	100,000	Sperry Corp.	Drawings, process sheets, specs, quality control and test procedures relating to production of a series of industrial hydraulic control valves	No objection - 17 Jul 60
NA 417950	\$ no cost value	Sperry Corp.	Request for quotation for manuf. of small vessel autopilot Sperry Model 8T	No objection - 10 Jul 60
NA 440263	\$ no stated	Garrett Corp.	Request for quotation to manuf parts in PNC on environmental control systems on Boeing 707, 737, 474, 767 model aircraft	No objection - 31 July 60
NA 445275	\$ not applicable	Xerox Corp.	Set of drawings for Xerox Model 3300 copying machines	No objection - 11 Jul 60
NA 506358	\$ n/a	Hughes Tool Co.	Drawings, specs to produce core type rock bits	No objection - 28 Aug 60



STR NO.	VALUE	COMPANY	TECHNICAL DATA CASES	REMARKS
			COMMODITY	
432476	\$ 300,000	Sperry Corp.	Manufacturing drawings, process sheets, etc, industrial hydraulic control	No objection - 18 July 80
440528	\$ 5,308,000	WEAN United Inc.	TD to galvanizing line, coil painting line and roll forming line associated with cold rolling mill steel plant	Received 13 Aug 80 No objection - 8 September 80
501827	\$22,500,000 plus royalties	Hughes Tool Co.	Know-how, info, tech assistance and training production and use of oil field rock bits	Received 30 July 80 Comparable to previous case for USSA
504358	\$ n/a Royalties to be paid	Hughes Tool Co.	Drawings, specs to produce core type rock bits	Received 8/7/80 Closed by Dr. Carlone



STR NO.	VALUE	COMPANY	COMMODITY	REMARKS
384923 W-1371 W-1372 W-1373 W-1374 W-1375 W-1376 W-1377 W-1378 W-1379 W-1380 W-1381 W-1382 W-1383 W-1384 W-1385 W-1386 W-1387 W-1388 W-1389 W-1390 W-1391 W-1392 W-1393 W-1394 W-1395 W-1396 W-1397 W-1398 W-1399 W-1400 W-1401 W-1402 W-1403 W-1404 W-1405 W-1406 W-1407 W-1408 W-1409 W-1410 W-1411 W-1412 W-1413 W-1414 W-1415 W-1416 W-1417 W-1418 W-1419 W-1420 W-1421 W-1422 W-1423 W-1424 W-1425 W-1426 W-1427 W-1428 W-1429 W-1430 W-1431 W-1432 W-1433 W-1434 W-1435 W-1436 W-1437 W-1438 W-1439 W-1440 W-1441 W-1442 W-1443 W-1444 W-1445 W-1446 W-1447 W-1448 W-1449 W-1450 W-1451 W-1452 W-1453 W-1454 W-1455 W-1456 W-1457 W-1458 W-1459 W-1460 W-1461 W-1462 W-1463 W-1464 W-1465 W-1466 W-1467 W-1468 W-1469 W-1470 W-1471 W-1472 W-1473 W-1474 W-1475 W-1476 W-1477 W-1478 W-1479 W-1480 W-1481 W-1482 W-1483 W-1484 W-1485 W-1486 W-1487 W-1488 W-1489 W-1490 W-1491 W-1492 W-1493 W-1494 W-1495 W-1496 W-1497 W-1498 W-1499 W-1500	\$ 229,640	Camacau- Goabo-Inc. (USA)	Manufacturing equipment for ICA	Deny Kasper Model 2001 Approve PMS 500 30 Jan 80
405981 407062 W-1362	\$ 4,565	Hewlett Packard	Scope and Probe	No objection - 10 Mar 80
405981 407062 W-1362	\$ 108,125 198,960	Laser Analytica Inc.	Laser source spectrometers	No objection from technical nological standpoint, but for USSR should be reviewed after redefini- tion of procedures 10 Mar 80
408004 W-1371	\$ 15,000	IBM Corp.	Scope	No objection - 7 Feb 80
409790 W-1378	\$ 71,680	Keithley Instruments Inc.	Digital Multimeter	No objection - 14 Feb 80
407104 (Roa) 412563 (PRC) W-1382	\$ 96,105 31,739	GeoMetrica Inc.	Magnetometer	No objection - 17 Mar 80
413497 W-1384	\$ 41,200	Burleigh Instru.	Demo of PCL Laser	No objection - 13 Mar 80



RTN MO.

416801  
416804  
416805  
416221  
416224  
416228  
416229  
416230  
416231  
416232  
416233  
417301  
417375  
417576  
428092  
W-1385

VALUE

26,008.98  
4,011.70  
10,768.85  
2,227.00  
4,958.05  
8,714.20  
4,436.00  
9,409.50  
7,175.00  
3,709.40  
3,983.95  
8,514.45  
10,140.50  
26,066.10  
18,600.00

COMPANY

Fluke Int'l Corp

COMMODITY

Digital Voltmeters

REMARKS

No objection - 1 May 66

*Fluke (Hawaii) Inc.  
Fluke Corp  
3006*

Radiometer System

No objection - 15 May 66

Communications Service Monitor

No objection - 9 Apr 66

Demo of Siter V Alpha Telex Exchange

No objection - 16 May 66

Marine Selsamic Streamer Cable and related hydrophones

No objection - 16 May 66

NA 419335 W-1387

NA 427021 W-1391

NA 422949 W-1389P

NA 403591 W-1388







# WALVER MEMOS

QTR NO.	VALUE	COMPANY	COMMODITY	REMARKS
353695 AM NA W-1113	\$ 68,000	General Electric	4 ea. EC 1050 MCL CMC units with parts and accessories	No objection 8 October 89
420630 NA W-1390P	\$ 5,253,000	MTS Systems Corporation	Aircraft structural loading and Data Acquisition System	
401134 NA W-1397P <i>sample of data to be given</i>	\$ 331,298	Perkin Elmer Computer Systems Div.	Model 8/32 computer system with 300 MByte disc drive	
390677 NA W-1404P	\$ 27,763	Tektronix Inc.	Tektronix Graphic Terminal	
426906 NA W-1412	\$ 116,812	Hadron Inc.	Holographic Laser Systems	
440964 NA W-1415P	\$ 15,680	Citation Computer Systems	Intel Microcomputer development system request for advice and guidance	<i>denied</i>
434603 NA W-1416P	\$ 25,000	Acoustic Technology Corp.	Acoustic Emulation Test System	<i>Approved</i>
415865 NA W-1424P	\$ 4,000	Cromenco International Inc.	Single card computers	<i>Approved</i>
416959 NA W-1435P	\$ 45,000	General Telephone & Electronics (GTE)	Proposed demo of a GTD-120 PABX	No objection 1 August 89



<u>DTN NO.</u>	<u>VALUE</u>	<u>COMPANY</u>	<u>COMMODITY</u>	<u>REMARKS</u>
442915 W-1429	\$ 16,000,000	Douglas Aircraft Corporation	Source tools (Master tools) used in production of the DC-8-80	No objection - 17 September 80
364225 364226 364231 364234 364227 364228 364229 364232 W-1438	\$ none	Geophysical Services	Seismic Exploration	w/cond. 17 September 80
446051 W-1435	\$ 23,156	Fluke Int'l	Calibrator	
435942 W-1441P	\$ 10,000	IBM World Trade	Maintenance device for IBM disc storage	No objection - 8 September 80
443860 W-1444	\$ 167,492	Apollo Laser, Inc.	Ruby Holographic Laser and Camera System	No objection - 8 September 80
W-1449 446066	\$ 33,200	Infrared Assoc. Incorporated	Infrared detector	Additional info requested - 8 September 80

Approved  
 but must be  
 signed on  
 before it can be  
 done. It must be  
 signed.



STP NO.	VALUE	COMPANY	COMMODITY	REMARKS
NA 431632	\$ 18,430	B&P Sales Corporation	Infrared radiation detection equipment	No objection - 23 September 80
NA 432633	112,375			
W-1447				
NA 502631	\$ 65,000 approx.	Analog Devices	Various converters, etc.	
NA 502632				
NA 502634				
NA 502636				
NA 502700				
W-1452				
NA 429195	\$ 150,750	Systems, Science and Software	E-Beam Laser System	
W-1457	7,900			
NA 506128	\$ 11,125	Hewlett-Packard	Oscilloscope	No objection - 29 September 80
W-1458				



BTR NO.	VALUE	COMPANY	COMMODITY	REMARKS
NA 438981	\$ 12,939	Raytheon Company	Electron tubes, machlett tubes, water, jacket, O-ring gaskets	No objection - 8 Jul 60
NA 431600	\$ 16,969.99	Varian Corp.	Parts for Varian 620L-100 System	No objection - 16 Jul 60
NA 435260	\$ 72,655	Electronic Associates, Inc.	EAI 2000 analog computer	No objection - 10 Jul 60
NA 431393	\$ 21,463	Hewlett-Packard	Spectrum analyzer	No objection - 11 Aug 60
NA 433086	\$ 210,000	Easton Corp.	Air Traffic control processing and display system, low noise amplifier	No objection - 11 Aug 60
NA 433364	\$ 1,125	11-VI Inc.	Zinc Selenide Optical Micros	No objection - 15 Aug 60
NA 447133	\$ 2,017	National Semiconductor Corporation	LM4250	No objection - 25 July 60
NA 447962	\$ 2,870	EG&G	550 radiometer system and accessories	No objection - 23 July 60
NA 500691	\$ 1,348,437	Asper Int'l	Videotape recorders reproducers	No objection - 25 July 60
NA 505711	\$ 129,500	Digital Equip-	1 PDP 11/34 computer system	No objection - 26 Aug 60

*Get equipment for testing, not to be returned in either Group 3 or 6*



QTR NO.  
505737

VALUE  
\$4,677.00

COMPANY  
Hewlett-Packard

COMMODITY  
Spectrum Analyser

REMARKS  
Approved - 26 Aug 81

*Handwritten signature*



# BTM CASES

VALUE	COMPANY	COMMODITY	REMARKS
\$ 381,715	11-VI Inc.	Cylindrical grinder, wafer edge grinder, silicon wafer grinder	No objection 24 September 80
\$ 36,000	WEAW United Incorporated	DEC PDP 11/04 computers w/28K of core memory	No objection 8 September 80
\$ 220,139.10	Canberra Industries	Amended to include teletype, print head, Fortran programming language to Fortran IV	No objection 13 August 80
\$ 1,306	RCA	VET 250 cassette video recorder	No objection 31 July 80
\$ 1,950.00	Eastman Kodak Co.	Film	No objection 8 September 80
\$ 11,790.00	Solartron	CPU, LSI, Floppy Disc, decoder, diodes	No objection 10 September 80
\$ 1,217.00	National Semiconductor Corporation	Transistors	
\$ 20,000.00	Control Data Corporation	Spare parts for CDC Cyber 18-20 computer system	Refer to 18-20 8 September 80

*Handwritten:*  
 11-VI Inc.  
 441962  
 NA 441962

NA 431313 AM.

NA 503292

NA 504691

NA 423553

NA 447132

NA 444790 AM.



BTR NO.	VALUE	COMPANY	COMMODITY	REMARKS
NA 506153	\$ 2,387.00	Analog Devices Inc.	Converters	
NA 507140	\$ 734.00	Eastman Kodak Co.	High Definition Aerial film	Deny - 2 Oct 80



ATR NO.  
505711

VALUE  
\$ 129,500

COMPANY  
Digital Equipment Corp.

COMMODITY

1 PDP 11/34 computer system with associated spares, supplies, and software

REMARKS

No objection - 24 Apr 71

504701

\$ 3,056.87

Laser Precision Corporation

Energy ratlometer, probe

No objection - 27 Apr 71



RTR NO.		COMMODITY		REMARKS	
VALUE		COMPANY		COMMODITY	
401050	\$ 4,215	Texas Instruments	Demo of portable terminal incor-	Denial - 7 Jan 80	
CM 2188			porating bubble memory device		
398070	\$ 10,890	Worland Corp.	Worland Model 3001 processing	No objection - 28 Jan 80	
370891	28,098		digital oscilloscopes		
389819 (USSR)	54,812				
CM 2221					
398937	\$ 245,810	Digital Equipment	DEC PDP 11/34 computer w/HK07	No objection providing	
CM 2257		Corporation	disc drives	software is minimum	
				required to support and	
				use - 14 Jan 80	
405594	\$ 700,000	Grant Geophysical	Seismic data processing system	No objection - concurs with	
CM 2263		Corporation	with array transform processor	DOC - 21 Feb 80	
406396	\$ 54,000	Mohawk Data	2 MOS 21/50 multiple application	No objection - 10 Mar 80	
410648	20,000	Sciences Corp.	processing systems		
CM 2304					
413820	\$ 56,835	Hewlett-Packard	HP1000 Model 10 computer for use	No objection - 10 Mar 80	
CM 2307			in a C-100 planitcomp stereoplotting		
			system		
420216	\$ 34,000	JAM World Trade	Service (Customer) engineering	No objection - 22 Feb 80	
CM 2331		Corp.	education on IBM Series 1		
			Computer Systems (Tech Data)		



BTR NO.	VALUE	COMPANY	COMMODITY	REMARKS
420217 CM 2327 NA	\$ 63,600	IBM World Trade Corp.	Customer Engineering Education on IBM 4331 Computer System (Tech Data)	No objection provided it understood this will not prejudice US position on hardware - 11 Apr 80
993645 CM 2343 NA	\$ 77,570	Sackman Assoc.	Model 4047A disc drive, printer and accessories for use with PRC computer	No objection provided tech data is limited to standard operation and maintenance info 22 Apr 80
419223 CM 2345 NA	\$ 11,600,000	Aluminum Co. of America	3 DEC PDP 11/34 computer systems.	No objection - 22 Apr 80
421314 CM 2357 NA	\$ 13,318	Colorado Video Inc.	Digital image processing equipment	No objection - 5 June 80
427328 CM 2358 NA	\$ 110,762	Burroughs Corp.	Burroughs B92 Computer System	No objection - 14 May 80
366452- 368487 368468 CM 2363 NA	\$ 45,600 15,200 45,600	WANG Labs	Enhancement of computer systems with WANG 2265V disc drives	No objection - 25 Jan 80
429821 CM 2368 NA	\$ 379,500	ASEA AB Sweden	Reexport from Sweden - 3 ModComp, Computer systems for use in Electric Power Distribution	No objection - 1 Jul 80



ITEM NO.	VALUE	COMPANY	COMMODITY	REMARKS
413255 CM 2355	\$ 445,344	WANG Labs	Demo of WANG Computer Equipment	No objection - 14 May 60
413287 CM 2359	\$ 123,739	Electronic Associates Inc.	EAI 2000 Analog/Hybrid Computer System	No objection - 3 Jul 60
413962 CM 2440	\$ 99,303	Pertin-Klar	Enhancement of DJS-184 computer (PRC Origin) with teype units	No objection - 29 Aug 60

413255

413287

413962

CM 2355

CM 2359

CM 2440

WANG Labs

Electronic Associates Inc.

Pertin-Klar

Demo of WANG Computer Equipment

EAI 2000 Analog/Hybrid Computer System

Enhancement of DJS-184 computer (PRC Origin) with teype units

No objection - 14 May 60

No objection - 3 Jul 60

No objection - 29 Aug 60



## COMPUTER MEMOS

CTR NO.	VALUE	COMPANY	COMMODITY	REMARKS
388139 (PRC) 390786 (PRC) 420467 (PRC) 417104 (Hungary) CM 2341	\$ 132,620 132,620 262,748	Dunegon Endevco	Computerized Source Location System (Acoustic Emission Monitoring System)	No objection - 19 September 00
419601 CM 2367	\$ 1,363,813	IBM World Trade	One IBM 4331 and 2 IBM Series computers	
438289 CM 2390	\$ 10,300	Chow Yang Co. El Cerrito, CA	Microcomputer parts and accessories	
434432 CM 2393	\$ 3,800,000	Heath Company Int'l Division	2000 sets of HP89 digital computer w/HP 89/H-8-21 disk drive operating systems with microsoft basic	No objection - 10 September 00
501007 CM 2395	\$ 106,400	Sackman Assoc.	Parts and components for Nova 4/X Computer used in testing construction material	Requested info Info 25 July 00
993909 CM 2414	\$ 1,100,000	Canadian Embassy	Reexport from Canada - Computer System for Processing Geological data	No objection - 17 September 00
432394 CM 2341	\$ 260,000	Digital Equipment Corp.	Export of PDP 11/34 computer	



SPR NO.	VALUE	COMPANY	COMMODITY	REMARKS
UA 434879 CM 2435	\$ 7,368	Argonne Labs	Computer and related equipment for Institute for High Energy Physics	No objection - 12 September 80
UA 501795 CM 2431	\$ 70,585	Kennedy Co.	Model 9300 tape drives, 9218 formatters to enhance Command III A computer system	No objection - with conditions - 18 August 80
UA 434879 CM 2445	\$ 105,591	Texas Instruments	Computer System	No objection - 23 September 80
UA 435840 CM 2448	\$ 162,050	Wang Labs	Wang Computer with High E8TR	Concur with Commerce 23 September 80
UA 440082 CM 2480	\$ 85,000	Digital Equipment Corp.	PDP 11/04 systems with RL111 RL01 disc controller drive	No objection - with conditions - 8 October 80
UA 442638 CM 2484	\$ 300,000	Digital Equipment Corp.	PDP 11/34 16 bit CPU with 2.1 Mbita semiconductor memory	
UA 445616 CM 2486	\$ 160,000	Systems Tech. Int'l Inc.	DEC PDP 11/34 CPU with RL02 and CAMAC Interface	
UA 501986 CM 2417	\$ 149,238	ICA	2 MOVA 4/x Computer systems	No objection - 23 September 80



BTR NO.	VALUE	COMPANY	COMMODITY	REMARKS
503733 CM 2441	\$ 9,680	Taching Import	Proposed denial of IL 1529 equipment	
503796 CM 2462	\$ 276,105.00	Burroughs Corp.	Demo of Burroughs Computer System	
505371 CM 2441	\$ 8,153.79	Geospace Corp.	Spare parts for A GS C 1704 seismic digital computer processor	



EQUIPMENT THE PRG HAS EXPRESSED INTEREST IN —  
NO NUMERICAL LICENSE APPLICATIONS SUBMITTED  
(as of 24 Feb 1981)

EQUIPMENT

CONSEC Gear  
QTN Radar  
Domestic Communications Satellite  
Night Viewing Devices (all types)  
TPS-58 Radar  
Aircraft Engines and Accessories  
Inertial Navigation System (LITN-51)

U.S. COMPANY

Technical Communications Corp.  
General Electric  
Hughes Aircraft  
Venus, Varo, ITT, et al  
General Electric  
Pratt-Whitney & GE  
Litter





DEFENSE AND  
ENGINEERING

~~SECRET~~  
OFFICE OF THE UNDER SECRETARY OF DEFENSE

WASHINGTON, DC 20301

6 March 1981

MEMORANDUM FOR ACTING DEPUTY UNDER SECRETARY (INTERNATIONAL PROGRAMS AND TECHNOLOGY)  
DEPUTY ASSISTANT SECRETARY (EAST ASIA & PACIFIC AFFAIRS),  
INTERNATIONAL SECURITY AFFAIRS  
OFFICE OF GENERAL COUNSEL (INTELLIGENCE, INT'L & INVESTIGATIVE PROGRAMS)  
DEFENSE INTELLIGENCE AGENCY (ASS'T VICE DIRECTOR FOR SCIENTIFIC & TECH INTELLIGENCE)  
DIRECTOR FOR FAR/MIDDLE EAST/S HEMISPHERE AFFAIRS (DUSD/FPAT)  
ORGANIZATION JOINT CHIEFS OF STAFF (J3 - FAR EAST/SOUTH ASIA DIV)  
DEPARTMENT OF THE NAVY (OP-62)  
DEPARTMENT OF THE AIR FORCE (CVAIF)  
EXECUTIVE OFFICER, OUSDPA

SUBJECT: PRC MIG-21 Engine Overhaul-Coating Request (C)

(U) On 2 March 1981 (13:25-15:31) I received a phone call from Mr. Lennox K. Black, President of Teleflex, Inc. (parent company of Sermetal, Inc.). Mr. Black stated that the Chinese (PRC) had told him that the Chromalloy American Corporation had recently received approval from the USG to coat three Chinese MIG-21 aircraft engines with their special ceramic-metallic oxide coatings, and that once coated, the engines were to be returned to the PRC for Chinese test and evaluation.

(U) Mr. Black further indicated that the Chinese would like for his company to likewise coat seven other MIG-21 engines using the Sermetal-J process. Sermetal would, like Chromalloy, also return the engines back to China for their test and evaluation. He asked if the Chinese statement was true; and if so, would his company receive the same treatment? I remarked that I would look into the situation and that all companies would be treated the same.

(U) LtC B. A. Meiser, Director, Munitions Control Staff of my Office, reviewed all DoD cases for the PRC and also contacted the Office of Munitions Control (OMC) at State to see if they had either received or approved any such license for the PRC. Neither OUSDPA nor OMC files revealed any such license application or resultant approval. Mr. W. Robinson, Director of OMC, did indicate to LtC Meiser, however, that he had heard there might be such an application forthcoming shortly. Under the present guidelines as noted in Newsletter 81 and subsequent interpretations thereof, license applications of this type cannot be approved. Mr. Robinson further stated that he would either disapprove or return without action (RWA) all such applications.

(U) At my request, Mr. Robinson indicated he would not disapprove or RWA such license applications until we had the opportunity to discuss them in detail. He was also asked to immediately inform us and his superiors whenever the Chinese, Chromalloy or Sermetal/Teleflex do submit applications for this purpose.

CLASSIFIED BY: DUSD/FPAT  
DECLASSIFY ON: 6 Mar 1987

~~SECRET~~

DECLASSIFIED BY AUTHORITY OF  
OSD

21 MAY 96 93-F-2441  
DATE



~~SECRET~~

(C) The primary rationale for requesting CMC/State to delay immediate adverse action on these licenses is because of the potential opportunities they provide the new administration. If approved, they would allow the U.S. to cautiously move into a moderate but closer defense relationship with the Chinese; and it would provide the type of technical assistance they have repeatedly emphasized they need with respect to their interceptor aircraft.

(U) Approval in this instance is obviously a major policy decision, and not simply an operational or technical one, even though the number of engines involved is small and the objective is simply to coat the engines, not transfer the technology. For your information, U.S. companies have set up similar coating facilities in both Western European and East Asian (e.g., Japan and Malaysia) countries, and could be approached by the Chinese to perform the same service.

(S) There are, of course, other potential benefits to the U.S., not the least of which would be the excellent opportunity to exploit the Chinese engines for technical intelligence purposes. If considered appropriate, arrangements could probably be made for the U.S. to assist the Chinese in a joint test and evaluation program. This would be extremely helpful to us if proper test controls and conditions were followed and we had access to all of the test results.

(C) An advantage to approving this type of license application is the fact that only the result (or product) of U.S. technology would be exported. Neither the production know-how nor a process-line type of capability would be exported. Of itself, it potentially opens up for consideration other U.S. services which might be made available to help the Chinese improve their overall tactical posture. At the same time, however, this approach would have the PRC dependent upon the U.S. for future services, unless of course, later USC decisions permitted the technology and process equipment to be exported. Providing only services has other advantages as well. It is, for example, much less dramatic and provocative vis-a-vis the USSR, and is consonant with the step-by-step approach to improving US-PRC relations agreed to during earlier meetings with the Chinese. It would most likely require consultations with our COCOM allies, however, as well as a revision of existing guidelines.

(C) The potential disadvantages of approval are those associated with any closer defense relationship with the Chinese. In addition, the Chinese could convey the results of their tests and evaluations to the USSR. The net benefits to China of their doing so are less obvious, however.

(U) This does appear to be one of the more unique opportunities available to move towards a closer US-PRC relationship. It would also start things moving again vis-a-vis the PRC. It appears to have very limited risks for our own security, and does have other side benefits. It must be a conscious move on our part, however, and should be taken only after the relative risks and benefits have been evaluated by OSD, OJCS and the Services.

(U) Your comments and guidance on what action to take regarding the above-mentioned cases are requested.

*Francis B. Kapper*  
Francis B. Kapper, Director  
Military Technology Center

~~SECRET~~





RESEARCH AND  
ENGINEERING

THE UNDER SECRETARY OF DEFENSE

WASHINGTON D.C. 20301

24 FEB 1981

MEMORANDUM FOR THE SPECIAL ASSISTANT TO THE SECRETARY AND DEPUTY SECRETARY  
OF DEFENSE

SUBJECT: Status Report on PRC Munitions and Commodity Export Cases

As requested, please find attached the following items by tab:

TAB A - PRC munitions cases referred to DoD from 1 January 1980 to  
~~20 January~~ 1981 by the Department of State  
3 March

TAB B - PRC Commodity Control export cases referred to DoD by the Department  
of Commerce from 1 January to 9 October 1980

TAB C - Military equipment the PRC has expressed strong interest in but for  
which no munitions license applications have been submitted

*see new TAB A*  
The updated munitions list (Tab A) should <sup>not</sup> be considered a draft as the  
Department of State is still in the process of verifying the status of each  
case and adding new cases to the list which have come in since 21 January 1981.  
As of 20 January, a total of 102 munitions cases have been referred to DoD by  
State, and we estimate that approximately 20 additional munitions license  
applications have been received since President Reagan's inauguration. All  
of these applications will be shown in our 1 March update. Due to an extremely  
heavy case load, the Office of Technology Trade has been unable to update the  
list of dual-use items covered by the Commodity Control List (CCL). Unless  
directed otherwise, we will ask that a complete list of PRC requests for items  
on the CCL be sent to the CIA by the Office of Export Administration (OEA) of  
the Department of Commerce.

It should be realized that without holding detailed discussions with all of  
the U.S. industry representatives doing business with the PRC, there is no  
realistic way of knowing precisely everything the Chinese may wish to export  
from the U.S. Rather than risk outright disapproval by the U.S. Government,  
the Chinese typically try to get U.S. companies to seek an advisory opinion  
from the U.S. Government as to whether or not a particular request will be  
approved prior to making formal application. For your information, of the  
102 munitions cases received from State, nine are still open (i.e., pending)  
and 93 have been closed. Of the 93 closed, 50 were approved, four were dis-  
approved, 31 were withdrawn and eight were Returned Without Action (RWA).  
Almost all of the 39 cases either withdrawn or RWA would have been disapproved  
by DoD. The export of the SCOUT Space Launch Vehicle was one such RWA case  
we would have strongly disapproved of because of its strategic potential as  
a Chinese ICBM.




The Chinese have expressed very keen interest in a number of military items which are either expressly prohibited by current U.S. policy or are not in the categories of equipment permitted for export by Munitions Newsletter #81. The major examples include their specific requests for anti-tank weapons, over the horizon (OTH) radar and for U.S. assistance in improving their F-8 interceptor aircraft, including fire control and inertial navigation systems, ECM gear, etc. We have also informally learned of a number of PRC inquiries for munitions items which neither the Chinese nor U.S. industry have officially requested permission to export. Examples of these are noted at Tab C.

By way of additional background, Dr. Frank Kapper, Director, Military Technology Sharing, OUSDR did, with Dr. Dinneen's approval, meet with Mr. Charles Neuhauser, Assistant National Intelligence Officer (NIO) for East Asia (now Acting NIO) on 1 July 1980. The purpose of his meeting was to both give and receive information which would be helpful to the CIA on the one hand and to the USDR during his September visit to China. Mr. Neuhauser was provided copies of all MFR's which documented the meetings with Mr. Liu Huaqing and Vice Premier Geng Biao. In addition, the CIA was provided the then most recent copies of the list of munitions and dual-use export cases that had been referred to DoD by the Departments of State and Commerce. Mr. Neuhauser was also given copies of all PRC wish lists including the one given to Dr. Dinneen by Mr. Liu on 6 May 1980. Also provided was a copy of the 3 June 1980 "Summary of United States Department of Defense Positions on PRC Requests for Military Support Equipment". This is the a-b-c category list which identifies items we would consider for export (a); items we felt we needed more information on (b) and items we said we would not consider for export (c). Mr. Neuhauser stated he had accompanied Secretary Brown on his January 1980 trip to China and had also been designated as the CIA focal point for all activities relating to China. A copy of Dr. Perry's trip report on his visit to China was also provided to the CIA.

In short, the CIA in the person of Mr. Neuhauser has already been provided extensive background information on what our earlier discussions with the Chinese were and also on those items which the PRC had expressed specific interest in. CIA also has representation on both the Technical Advisory Committees (TACs) and on the Operating Committee (OC). More specifically, Mr. George Schember of CIA is a non-voting member of the interagency Operating Committee, which is chaired by the Department of Commerce. Mr. Schember serves as the interface for both State and CIA on export license requests for all proscribed countries. As a result of a recent CIA-Commerce agreement, he also has access to any information required by his Agency.

USDP



Walter B. LaBerge  
Acting